

Response to Wright Petitioners Regarding Pay Tel Fees

General Statement About Tariffs

In their July 17 *ex parte* filing, the Petitioners summarize the various charges present in Pay Tel (and other vendor) tariffs.¹ The Pay Tel summary contains a number of mischaracterizations and inaccuracies which Pay Tel corrects below with this filing.

As a general matter regarding Pay Tel Tariffs:

- Third Party Payment Processing Fees - To the best of Pay Tel's knowledge, Pay Tel is the *only* company that tariffs these fees. Although the amounts are charged by third parties, Pay Tel has always included them in its tariffs to ensure that Pay Tel customers are fully informed of any costs related to its services. The mere presence of these fees in Pay Tel's tariffs might give the appearance that Pay Tel has more fees, when compared to its competitors that don't tariff the fees at all. In truth Pay Tel's payment processing fees are among the lowest in the industry, as confirmed by Peter Wagner's statements during the July 10 workshop.
- Tariff Revisions - While Pay Tel does endeavor to keep its tariffs up to date, as a practical matter, Pay Tel focuses its efforts on revising tariffs in states where it has active customers. As such, in some states where Pay Tel does not have an active client facility, there are some items that were tariffed, never put into practice and have yet to be removed.

Error Correction, Clarification

The following corrects errors and mischaracterizations in the Pay Tel tariff summary presented by the Petitioners in their July 17th filing:

Tariff	Fee	Correction/Clarification
Interstate	Inactive Account Fees \$1.00 (monthly fee after 12 months) \$0.25 - \$0.75 surcharge for a call to an inactive account	<u>These fees are NOT charged to accounts that accept inmate phone calls.</u> They are part of the automatic refunding mechanism used by Pay Tel to refund account holders for unused funds after a lengthy period of inactivity. These fees are not automatically applied to an inactive account. On the contrary, after six months of account inactivity, the following events take place automatically: <ul style="list-style-type: none">• Pay Tel issues the account holder with a Prepaid Phone Card equal to the total value remaining on their account and mails it to the last known address for the account-holder.• The card may be used by the account-holder as follows:<ul style="list-style-type: none">○ To place calls to any domestic phone number at the rate of \$0.25 per call plus \$0.06 per minute - this is <u>not</u> a call

¹ Letter from Lee G. Petro to Marlene H. Dortch, WC Docket No. 12-375 (July 17, 2013)

Interstate (continued)	Inactive Account Fees (continued)	<p>involving an inmate; (if the call is placed from a payphone, a per call charge of \$0.75 is added to compensate the payphone owner for use of the instrument); or</p> <ul style="list-style-type: none"> ○ The balance may be transferred to a Pay Tel Prepaid collect account associated with a new telephone number; or ○ The account-holder may return the card to Pay Tel and request a full refund check. <ul style="list-style-type: none"> • If the account holder does not utilize any of the above options, for 12 months after the account became inactive (18 months since last use of account), Pay Tel begins to charge the \$1.00 fee per month. • Pay Tel's tariff language also states that upon request, Pay Tel will waive the monthly fee and refund the full account balance. • Pay Tel's internal policy is to fully refund any remaining balance regardless of account age. • It is worth noting that virtually all other ICS Vendors simply deem the account balance to be expired after 3 - 12 months of inactivity and confiscate the money.
California, Illinois, Michigan, Nevada, Oregon, Wisconsin	Wireless Fee (Per Call) \$2.70 to \$3.00 per call	Pay Tel has yet to establish its first client facility in any of the states where this fee is still in the tariff. <i>This fee was filed and Pay Tel never opted to charge it to any called party.</i> Note that the fee has been removed from all tariffs where Pay Tel has active Client facilities. Pay Tel plans to modify its tariffs in these six inactive states to eliminate any reference to this fee.
California, Illinois, Michigan, Nevada, Oregon	Administrative Fee Up to \$2.00 per transaction	Pay Tel has yet to establish its first client facility in any of the states where this fee is still in the tariff. <i>This fee was filed and Pay Tel never opted to charge it to any called party.</i> Note that the fee has been removed from all tariffs where Pay Tel has active Client facilities. Pay Tel plans to modify its tariffs in these six inactive states to eliminate any reference to this fee.
Georgia	\$9.95 Western Union Payment Processing Fee	This was the original rate charged by Western Union to process payments nationwide. It was in our Georgia tariff filed in 2008. In January, 2009, the rate was negotiated down to \$5.95. Pay Tel inadvertently neglected to reduce the amount in our Georgia tariff. We have since filed a replacement tariff (effective July 1, 2013). PSC staff requested that we continue to provide explanations for all fees, but remove the actual amount from our tariff.